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Bi-State Primary Care Association FY2026 Budget Request Senate Health and Welfare Committee, April 11, 2024

- **\$4.415 GF (base) included in H.493 to bring FQHC rates more in line with the cost of providing care to Medicaid enrollees.**

Bi-State also supports the following funding in H.493

- \$85K GF (base) to increase family planning rates.
- \$4.6M GF (one-time) to continue Population Health Management payments, currently paid by OneCare Vermont, through 2026.
- \$4.4M GF (one-time) to continue Medicare Blueprint for Health PCMH, CHT, and SASH payments for 2026 as included in the Governor's recommended budget.

What is a Federally Qualified Health Center (FQHC)?

- FQHCs are a key part of the primary safety net system for health care. Their services include primary medical, dental, oral, mental health and enabling services (i.e., translation, transportation, financial counseling, health education, and nutritional assistance).
- FQHCs must accept all patients, offer reduced fees, and a with their communities to lessen barriers to health.
- In Vermont, FQHC sites are in every county and **nearly 1 in 3 Vermonters rely on FQHCs** for primary care.

What problem do these budget requests solve?

- FQHCs are currently **very financially fragile**.
 - FQHCs do not receive "enhanced" rates; their Medicaid rates should relate to the average cost/visit.
 - Vermont FQHC rates have **not kept up with inflation**.
 - This appropriation would get rates closer to the cost of Medicaid-covered services.
- FQHCs must see patients regardless of their ability to pay or their insurance status. With potential changes at federal level that could leave **more Vermonters under- or uninsured**, FQHCs need Vermont Medicaid to pay its fair share.

Investing in cost effective comprehensive primary care lowers total cost of care

- Nationally, FQHCs generate an average of \$24 billion a year in savings to the health system. For state Medicaid programs, the annual spending per Medicaid enrollees is 24% lower for those receiving care at an FQHC compared to a non-health center primary care practice. (NACHC, 2019)
- CBO projected that increased "community health center funding would reduce direct spending for federally subsidized health insurance because **those centers could provide more cost-effective patient care.**" (2/2024)